



**DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380-0001**

MCO 7220.49A
FDF-6
21 Jun 89

MARINE CORPS ORDER 7220.49A

From: Commandant of the Marine Corps
To: Distribution List

Subj: DEDUCTIONS FROM PAY FOR DELINQUENT DEBTS OWNED TO
NONAPPROPRIATED FUND INSTRUMENTALITIES (NAFI'S) AND
COMMISSARIES

Ref: (a) 37 U.S.C. 1007(c) (NOTAL)
(b) DODPM, part 7, chapter 7 (NOTAL)
(c) DODMRPM, part 6, chapter 2 (NOTAL)
(d) 10 U.S.C. 6032 (NOTAL)
(e) MCO P7220.31G, chapter 7

Encl: (1) Sample DD Form 139, Pay Adjustment Authorization
for Active Duty Marines
(2) Sample DD Form 139, Pay Adjustment Authorization
for Retired and Reserve Marines
(3) Sample NAVCOMPT Form 2277, Voucher for Disbursement
and/or Collection

1. Purpose. To publish policy and procedures for making
involuntary collection from military pay for delinquent debts
owed to NAFI's.

2. Cancellation. MCO 7220.49.

3. Scope. This Order applies to collection of any delinquent
debt owed by active, Reserve, and Retired Marines (including
Fleet Marine Corps reservists) to any NAFI or commissary.
NAFI's include, but are not limited to service exchanges,
service clubs, welfare and recreation activities, and open
messes. For the purpose of this Order only, reference to the
term "NAFI" includes commissaries.

4. Background

a. NAFI's extend credit and provide for personal check
cashing as a service to their patrons. When installment
payments/debts go unpaid or checks are returned by financial
institutions without payment; i.e., "dishonored," NAFI's
experience a loss of revenue and increased operating expenses.
This results in higher prices and reduced contributions to
welfare and recreation programs.

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b. Reference (a) provides statutory authority for the service Secretaries to issue regulations for making collections from the pay of service members indebted to instrumentalities of the Government. References (b) and (c) provide additional information concerning the use of reference (a). Reference (d) provides statutory authority to pay, from funds appropriated for the pay of the Marine Corps, any indebtedness to Marine Corps Exchanges of members who are discharged, who desert, or who are sentenced to prison. Reference (e) provides procedural guidance to effect an involuntary pay account checkage in the Joint Uniform Military Pay System/Manpower Management System.

5. Policy. The exceptionally high standards expected of Marines extend to the writing of personal checks and to payment of all just debts. Marines are responsible for having sufficient funds in their checking accounts to cover the checks they issue and for promptly redeeming any checks returned as dishonored, including applicable service charges added by the payee. Marines are also responsible for full and timely payment of debts resulting from agreements entered into with NAFI's for the purchase of goods or services, including applicable service or interest charges added by the NAFI for late payment or other charges. Marines will be provided a reasonable opportunity for making voluntary restitution for dishonored checks or delinquent NAFI debts. Should voluntary action fail to liquidate the debt, collection will be made by involuntary lump-sum pay account checkage, subject to the limitation imposed by references (b) and (c). When pay is insufficient for lump-sum collection the debt will be collected, at the maximum rate authorized, over the fewest possible pay periods in order to minimize the Government's collection costs.

6. Definition of NAFI Debts

a. Dishonored Checks. A dishonored check is a check returned unpaid by the financial institution on which it was drawn. Reasons for the check being returned unpaid may include insufficient funds, a closed account, nonexistent account, or any similar cause. Provisions in this Order for collecting pay from a Marine for a dishonored check also apply to dishonored two-party checks. A two-party check is a written order dated and signed by the maker directing payment of a certain sum of money to the order of a second party (endorser). (See paragraph 8b for additional guidance.)

b. Other NAFI Debts. It is the intent of this Order to provide for the recovery of any delinquent debt to a NAFI. Such debts include, but are not limited to, debts for:

(1) Service Club activities; for example, membership dues, monthly dues or billings, catering charges, equipment rental, loss, or damage, etc.

(2) Exchange purchases/services; for example, deferred payment plans, layaway plans, etc. This applies without regard to what the purchase is for, e.g., uniform items, appliances, services, etc.

(3) Morale, Welfare, and Recreation activities; for example, equipment rental or damage/charges, stable fees, bowling fees, use of temporary lodging facilities, etc.

7. Exceptions. The following situations are excluded from the provisions of this Order that would otherwise allow reimbursement to NAFI's for dishonored checks or delinquent debts:

a. Fraud. Dishonored checks or debts that involve fraud will not be reimbursed through pay account checkage of a Marine who is the victim of a fraudulent act.

b. Delinquent Debts In Conjunction with Separation. Debts that result from agreements entered into within 2 weeks of a Marine's scheduled expiration of current contract (ECC) date, and debts that occur where agreements for repayment by installment extended beyond a Marine's ECC, are excluded from reimbursement through pay account checkage. Similarly, dishonored checks written within 2 weeks of a Marine's ECC are also excluded from reimbursement by pay account checkage. (These exclusions do not apply when a Marine is separated prior to the scheduled ECC date and the debt occurred within 2 weeks prior to the separation date. In this situation, the NAFI would not have been able to determine that a Marine was within 2 weeks of the ECC date when the dishonored check was written or agreement was entered into.)

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c. "Stale" Delinquent Debts. Requests for pay account checkage for debts greater than 1 year old at the time they are forwarded in the case of separated Marines will not be accomplished. A "debt greater than 1 year old" is a debt that is either more than a year delinquent or a debt for a dishonored check that was written more than a year before the date of the request for pay account checkage. (Note: This exception is effective 3 months after the date of this Order, but excludes dishonored checks dated prior to 15 July 1986, which will not be accepted for reimbursement.)

d. Debts Incurred by Dependents. This Order does not apply for debts incurred by dependents.

8. Action

a. Commanding Officers. Upon written notification that a member of the command has written a dishonored check or has a delinquent NAFI debt, the commanding officer, or the designated officer representative, will counsel the Marine regarding the responsibility to make timely restitution and will advise that failure to redeem the check or pay the debt within the period specified by the NAFI will result in involuntary pay account checkage. The Marine will also be advised that continued financial irresponsibility could result in disciplinary action and/or denial of promotion and reenlistment.

b. Marine Corps NAFI Officials. NAFI officials designated by the commander may request checkage of a Marine's pay account to satisfy a dishonored check or other NAFI debt only when NAFI collection efforts have been exhausted and failed to result in voluntary liquidation of the debt. (Note: While NAFI's may attempt to recover payment and applicable service charges from either the maker or endorser of a dishonored two-party check, involuntary collection will only be made from the Marine endorser, since this is the individual who presented the check to the NAFI and received goods or services in exchange.) Requests for pay account checkage must certify that the Marine has been notified in writing of the rights required by references (b) and (c); i.e., notice of the nature and amount the debt, of the intent to collect from current pay if the debt was not paid within 30 days or if a mutually agreeable repayment schedule was not established, that the Marine could inspect and copy records related to the debt and had an

opportunity for review of the decisions concerning the debt, and that any portion of the debt remaining uncollected at the time of separation would be collected from final pay and allowances. For active duty and Reserve Marines, the request must also certify that the Marine's commanding officer has been notified to assist with the collection of the debt. Prior to requesting pay account checkage, NAFI officials must also ensure prior pay account checkage or IRS income tax refund offset has not been requested or that the Marine has not otherwise satisfied the debt by cash reimbursement. Extreme caution is necessary to ensure duplicate payment of the debt does not occur. To request pay account checkage:

(1) Prepare a DD Form 139, Pay Adjustment Authorization (PAA) for the amount of the debt and any applicable service charge or other charge as provided in NAFI regulations. The notification statement, shown in the partially completed samples in enclosures (1) and (2), must be included on the PAA. If an active duty or Reserve Marine is scheduled to be discharged within 30 days, include the following statement on the PAA: "The Marine is scheduled to separate on (date). Notification to the commanding officer is waived."

(2) Attach documentation in support of the debt to the PAA, e.g., a copy of both sides of the dishonored check(s), contracts, receipts, etc., and a copy of any previously signed consent agreement. (Note: The existence of such agreement does not alter the requirement for the notification discussed in paragraph 8b above).

(3) Forward PAA's with a NAVCOMPT Form 2277, Voucher for Disbursement and/or Collection, as shown in the partially completed sample in enclosure (3), to:

(a) For active duty Marines: the servicing Marine Corps disbursing officer. If the servicing Marine Corps disbursing officer is unknown, forward to the nearest Marine Corps disbursing officer.

(b) For Reserve and Retired Marines: the Commanding Officer, Marine Corps Finance Center (CPJ26), Kansas City, MO 64197-0001; forward on a monthly basis only.

c. Field Disbursing Officers

(1) Use the procedures in reference (e) to input pay account checkages for properly prepared PAA's for active duty Marines.

(2) Forward a copy of the PAA to the Marine via the commanding officer, and advise when the checkage was reported and the expected pay date the checkage will take effect.

(3) Reimburse the NAFI within 30 days of receipt of the PAA. For commissaries only, process NAVCOMPT Form 2277 (enclosure (3)) as a "no check" transaction.

(4) Return improperly completed PAA's NAVCOMPT Forms 2277, and any accompanying documents to the originator with an explanation of the reason for return. Examples of reasons for return are: PAA does not contain the required due process certification or statement (see paragraph 8b), copies of the dishonored check or other debt documents are not attached, there is an indication that the check was not written/endorsed by, or the debt does not apply to the member identified on the PAA, the Marine has been separated or is otherwise in a nonpay status (see subparagraph 8c(5) below), or the debt or dishonored check is an exception to the provisions of this Order (see paragraph 7). In the case of separated Marines, include the Marine's mailing address, if available, to enable the NAFI to pursue further collection action.

(5) As authorized by reference (d), PAA's from Marine Corps Exchanges covering Marines who are discharged, who desert, or who are sentenced to prison will be processed as as provided in subparagraphs 8c(1) through (3) above, as appropriate.

(6) In the case of PAA's issued by non-Marine Corps NAFI's, follow the procedures as indicated in subparagraphs 8c(1) through (4) above, provided that the PAA contains a statement that the due process requirements of reference (b) or (c) (as applicable) have been met.

d. Commanding Officer, Marine Corps Finance Center


(1) Input pay account checkages for properly prepared PAA's for Reserve and Retired Marines.

(2) Notify the Marine in writing of the reason for the pay checkage and advise when the checkage was reported and the expected pay date the checkage will take effect.

(3) Reimburse the NAFI for debts of Reserve and Retired Marines upon collection of the full amount of the debt. For commissaries only, process NAVCOMPT Form 2277 (enclosure (3)) as a "no check" transaction.

(4) Return improperly completed PAA's as provided in paragraph 8c(4) above.

9. Reserve Applicability. This Order is applicable to the Marine Corps Reserve.


E. T. COMSTOCK
Fiscal Director
of the Marine Corps

DISTRIBUTION: A

Copy to: 8145001

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SAMPLE DD FORM 139, PAY ADJUSTMENT AUTHORIZATION FOR ACTIVE DUTY MARINES

PAY ADJUSTMENT AUTHORIZATION				NOTE: If member has been transferred, forward this authorization to the officer currently maintaining the member's pay record. ***			
MEMBER (Last Name)		(First)	(Middle)	FILE/SERVICE NO.	GRADE/RANK/RATE	BRANCH OF SERVICE	DATE
PAY GRADE NO.	LAST PAY RECORD EXAMINED (if applicable)		AMOUNT	APPROPRIATION DATA			
FROM				NAME OF ACCOUNTABLE D.O.			
				SYMBOL NO.	G.A.O.	EXCEPTION CODE	
TO For Active Duty Marines: Local Marine Corps Disbursing Officer SAMPLE				YOU ARE HEREBY AUTHORIZED TO <input checked="" type="checkbox"/> CHARGE <input type="checkbox"/> CREDIT THE MILITARY PAY RECORD OF THE MEMBER LISTED ABOVE			
EXPLANATION AND/OR REASON FOR ADJUSTMENT							
Check Number: () Drawn on: (BANK NAME) [or Delinquent Debt (Describe)]				NAFI'S (OTHER THAN COMMISSARIES) USE THIS BLOCK FOR ANY SPECIAL CHECK MAILING INFORMATION			
Date: \$ Amount: \$ Authorized Charges: \$ Total: \$				*** The above note does not apply for NAFI debts. The DO receiving the PAA will report the checkage.			
<p>"The Marine named above was notified in writing by (NAFI OFFICIAL) on (DATE) concerning this indebtedness to (NAFI COMMISSARY/OPEN MESS ETC.) for dishonored check (s) (copies attached) or [delinquent NAFI debt - (supporting documentation attached)] in the amount of (AMOUNT). The notification contained all the advisements required by part 7 chapter 7 of the DODPM, including our intention to begin collection through deductions from pay if the debt was not paid within 30 days or if a mutually agreeable repayment schedule was not established within 30 days. The notification also indicated that any portion of the debt remaining uncollected at separation would be collected from the Marine's final pay and allowances. The Marine's commanding officer was notified on (DATE) to assist with collection of the debt. No payment has been received to date. Request collection action be taken per DODPM, table 7-7-5."</p>							
ONLY OFFICIALS DESIGNATED BY THE COMMANDER ARE AUTHORIZED TO CERTIFY BELOW							
The above adjustment is based on a thorough examination of all available records. If the Disbursing Officer has knowledge that a previous adjustment has been made or why the adjustment should not be made for the same item, this authorization should be returned with a brief statement of the reason for failure to make the adjustment.							
FROM				CERTIFYING OFFICER (name, rank/grade, and signature)			
I CERTIFY that the adjustment indicated above has been entered on the above-named member's Military Pay Record. (If adjustment has not been entered, give explanation on reverse over D.O.'s signature and symbol number.)							
				TYPED NAME AND GRADE OF D.O.			
				D.O. SYMBOL NO.		DATE	
				SIGNATURE			

FORM 139 (5PT) REPLACES DD FORM 118, 1 OCT 49 DD FORM 139, 1 JAN 49, NAV. S. AND A. FORMS 540, 541, AND 542
1 May 53 NAVMCM 69805D AND NAVMCM 819-5D. ALL OF WHICH MAY BE USED UNTIL STOCKS ARE EXHAUSTED.
S/N 0101-8002800

Form approved by
Comp Gen., U.S.
April 23, 1953

ENCLOSURE (1)

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SAMPLE DD FORM 139, PAY ADJUSTMENT AUTHORIZATION FOR RESERVE AND RETIRED MARINES

PAY ADJUSTMENT AUTHORIZATION				NOTE: If member has been transferred, forward this authorization to the officer currently maintaining the member's pay record. ***			
MEMBER (Last Name) (First) (Middle)			FILE/SERVICE NO.	GRADE/RANK/RATE	BRANCH OF SERVICE	DATE	
PAY GRADE NO.	LAST PAY RECORD EXAMINED (if applicable)		AMOUNT	APPROPRIATION DATA			
FROM			NAME OF ACCOUNTABLE D.O.				
			SYMBOL NO.	G.A.D. EXCEPTION CODE			
TO FOR RESERVE AND RETIRED MARINES CO, MARINE CORPS FINANCE CENTER (CPJ26) KANSAS CITY, MISSOURI 64197-0001			YOU ARE HEREBY AUTHORIZED TO <input checked="" type="checkbox"/> CHARGE <input type="checkbox"/> CREDIT THE MILITARY PAY RECORD OF THE MEMBER LISTED ABOVE				
L			SAMPLE				
EXPLANATION AND/OR REASON FOR ADJUSTMENT							
Check Number: () Drawn on: (BANK NAME) [or Delinquent Debt (Describe)]			NAFI'S (OTHER THAN COMMISSARIES) USE THIS BLOCK FOR ANY SPECIAL CHECK MAILING INFORMATION				
Date: \$ Amount: \$ Authorized Charges: \$ Total: \$			*** The above note does not apply for NAFI debts. The DO receiving the PAA will report the checkage.				
"The Marine named above was notified in writing by (NAFI OFFICIAL) on (DATE) concerning this indebtedness to (NAFI COMMISSARY/OPEN MESS ETC.) for dishonored check (s) (copies attached) or [delinquent NAFI debt - (supporting documentation attached)] in the amount of (AMOUNT). The notification contained all the advisements required by part 7 chapter 7 of the DODPM, including our intention to begin collection through deductions from pay if the debt was not paid within 30 days or if a mutually agreeable repayment schedule was not established within 30 days. The notification also indicated that any portion of the debt remaining uncollected at separation would be collected from the Marine's final pay and allowances. The Reserve Marine's commanding officer was notified on (DATE) to assist with collection of the debt. No payment has been received to date. Request collection action be taken per DODPM, table 7-7-5."							
ONLY OFFICIALS DESIGNATED BY THE COMMANDER ARE AUTHORIZED TO CERTIFY BELOW							
The above adjustment is based on a thorough examination of all available records. If the Disbursing Officer has knowledge that a previous adjustment has been made or why the adjustment should not be made for the same item, this authorization should be returned with a brief statement of the reason for failure to make the adjustment.							
FROM			CERTIFYING OFFICER (name, rank/grade, and signature)				
I CERTIFY that the adjustment indicated above has been entered on the above-named member's Military Pay Record. (If adjustment has not been entered, give explanation on reverse over D.O.'s signature and symbol number.)							
L			TYPED NAME AND GRADE OF D.O.				
			D.O. SYMBOL NO.		DATE		
			SIGNATURE				

FORM 139 (5PT) REPLACES DD FORM 118, 1 OCT 49 DD FORM 139, 1 JAN 49, NAV. S. AND A. FORMS 540, 541, AND 542
1 May 53 NAVMC 6980SD AND NAVMC 819-SD. ALL OF WHICH MAY BE USED UNTIL STOCKS ARE EXHAUSTED.
S/N 0101-8002800

Form approved by
Comp Gen., U.S.
April 23, 1953

ENCLOSURE (2)

SAMPLE NAVCOMPT FORM 2277 VOUCHER FOR DISBURSEMENT AND/OR COLLECTION

VOUCHER FOR DISBURSEMENT AND/OR COLLECTION-NAVCOMPT FORM 2277 (BPT.) (2-81) S/N 0104-LF-702-2770										Page 1 of	Pages
1. Purpose DISB <input checked="" type="checkbox"/> COLLECT <input type="checkbox"/>		2. Date		3. Reference Document No.		4. Bill Number		5. Voucher No.			
6. FROM: DISBURSING OFFICER ADDRESS						7. PAID BY: CHECK NO.					
8. TO: YOUR NAFL OR EXCHANGE ADDRESS						SAMPLE					
L											
9. ARTICLES, SERVICES OR ITEMS											
A. INVOICE OR ORDER NO.		B. DATE OF DE- LIVERY/SERVICE		C. DESCRIPTION (REMITTER, EXPLANATION, DETAILS, ETC.)		D. QUAN- TITY		E. UNIT PRICE COST PER		F. AMOUNT	
				Dishonored Checks/Delinquent Debt (List separately by name, SSN, grade check or description of debt) Note: If there are more items, place the words "See Attached Listing" here and list the same information. List total of all checks/debts in block H.						(Show the individual amount of dishonored checks or delinquent debt.)	
G. DISCOUNT TERMS										H. TOTAL	
10. TYPE OF PAYMENT OR BILL: COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/> PROGRESS <input type="checkbox"/> ADVANCE <input type="checkbox"/>											
11. ACCOUNTING CLASSIFICATION TO BE CREDITED (COLLECTION)											
A. ACRN	B. APPROPRIA- TION	C. SUB- HEAD	D. OBJ. CLASS	E. BUREAU CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT (U.S. CURRENCY ONLY)	
(COMMISSARIES MUST COMPLETE THIS BLOCK)											
12. DEDUCTIONS											
A. ACRN	B. TRANSPORTATION	C. DISCOUNT	D. TAX	E. RESERVE	F. MISCELLANEOUS	G. TOTAL FOR ACRN (U.S. CURRENCY ONLY)					
						AMOUNTS MUST AGREE					
H. CURRENCY:		EXCHANGE RATE				= \$1.00		TOTAL DEDUCTIONS			
13. ACCOUNTING CLASSIFICATION TO BE CHARGED (DISBURSEMENT)											
A. ACRN	B. APPROPRIA- TION	C. SUB- HEAD	D. OBJ. CLASS	E. BUREAU CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT (U.S. CURRENCY ONLY)	
AC DU	ENLISTED 17-1105	2702	011	12691		27	2D		71130	(Total from Block H)	
AC DU	OFFICER 17-1105	2701	011	12691		27	2D		71110		
L. TOTAL NET AMOUNT TO BE PAID (BLOCK 9-H MINUS BLOCK 12-1)											
14. INSPECTION REPORT NOS:						15. GOV'T B/L NOS:					
16. APPROVED BY (YOUR SIGNATURE) (DATE) TITLE (Exchange Officer or Appropriate Title) (DATE)						17. CERTIFIED BY _____ TITLE _____ (DATE)					
18. PAYMENT RECEIVED: PAYEE- PER- TITLE-											

ENCLOSURE (3)